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Loan Helping Traverse City-Based Provider Expand Services to Small Businesses

LANSING: The Michigan Broadband Development Authority (MBDA) announced today it has closed a \$758,813 loan with Appia Communications, Inc., a Michigan-based communication services company in Traverse City.

The MBDA loan will help Appia offer its product of converged broadband services to a larger number of Michigan's small- and medium-sized businesses. Converged broadband services offer customers local voice, long distance, broadband Internet access and video conferencing bundled into a single connection. The loan will be used to upgrade Network Operations Centers (NOC) in Traverse City and Southfield, and will enable Appia to provide services to businesses in Detroit, Saginaw, Lansing, Grand Rapids and Traverse City.

"Access to high-speed Internet is critical to economic growth," said Governor Jennifer M. Granholm. "These loans will help Michigan's small businesses stay competitive in a technology driven market."

Appia is not a typical broadband provider. They lease broadband services from other carriers and utilize their own proprietary software systems to support services targeted at small- and medium-sized businesses. In doing so, Appia customers are typically able to reduce their telecommunications costs by anywhere from 20 to 30 percent.

"This project's success in Michigan coupled with Appia's expansion plans around the country translates directly into new jobs at its headquarters in Traverse City," said Department of Labor & Economic Growth (DLEG) Director David C. Hollister. "This is a win/win project, helping Michigan small businesses save money and helping a new technology-based company in northwest Michigan grow and sustain itself."

Appia Communications President Victor Von Schlegell lauded the State's effort to help grow technology-based businesses: "There is no better location than northwest Michigan to expand and grow a business like Appia. Theoretically, we could locate a business like this anywhere in the U.S., but Michigan's quality of life and capable workforce makes it the perfect location. The State's effort to improve broadband infrastructure is cutting edge and made it a far easier decision for us to expand here."

MBDA Vice President James W. Butler, III, stressed the impact this project has in helping achieve the Governor's goal of bringing affordable broadband access to everyone across the state by 2007. "Small businesses are often left out when it comes to securing affordable broadband access. By providing a converged set of services, Appia's product makes broadband more affordable by consolidating voice and other services across one connection—regardless of who is providing the broadband connectivity. This project will also benefit existing broadband providers in these markets by increasing demand for their services."

The MBDA was created to help the state attract more private sector investment in high-speed, Internet infrastructure, and to increase demand for and utilization of broadband services. More information about the Michigan Broadband Development Authority and its programs can be found at WWW.BROADBANDAUTHORITY.ORG

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